

RENTAL HOUSING DEVELOPMENT ASSISTANCE (RHDA)
Application for Rental Development Financing

PLEASE NOTE: AHFC Reserves the right to fund projects at a lower amount than requested, and the right to deny applications that do not coincide with the City's FY 2011-12 Action Plan goals and policy direction from the Austin City Council.

Project Name: Austin Senior Living

City of Austin

Project Address: 7501 U.S. 290 West, Austin Texas **Zip Code** 78736

JAN 11 2013

Total # units in project/property: 152

NHCD / AHFC

Total # units to be assisted with RHDA Funding: 152

Project type: ☐ Acquisition ☐ Rehabilitation ☒ New construction ☐ Refinance ☐ Rent Buy-Down

Amount of funds requested: \$1,200,000 **Terms Requested:** _____

Role of applicant in Project (check all that apply): ☒ Owner ☒ Developer ☐ Sponsor

1. Applicant Information (If applicant is not acting as the developer, please provide all of the information below for the developer as well as for the applicant. If the developer involves multiple entities, is a partnership or joint venture, please provide duplicative information for each, and identify the entity that will serve as the "lead" organization).

Cadence Multifamily, LLC
Name

3809 Juniper Trace Road
Street Address

Austin Texas, 78738 512-261-0000
City State, Zip Telephone #

Robert Ruggio 512-261-0000 [REDACTED]
Contact Person Contact Telephone # E-mail address

EIN 45-2051511
Federal Tax ID Number or SS#

The applicant/developer certifies that the data included in this application and the exhibits attached hereto are true and correct. *Unsigned/undated submissions will not be considered.*

Cadence Multifamily LLC.
Legal Name of Developer/Entity

[Signature]
Signature of Authorized Officer

SARAH ANDRE, ON
BEHALF OF ROBERT
RUGGIO

1/11/2013
Date

Project Consultant
Title

2. **For non-profit applicants/developers only, include copies of the following:**
- Articles of Incorporation
 - Certificate of Incorporation filed with the State of Texas
 - Federal IRS certification granting non-profit status
 - Names, addresses and phone numbers of current board members
 - Certified financial audit for most recent year which include the auditor's opinion and management letters.
 - Board resolution approving the proposed project and authorizing the request for funding

3. **Project Type (Please check any that apply.)** This project is considered:

- ☒ **Traditional Rental Housing** (serving low-income households, and resident services may or may not be provided)
- ☐ **Transitional Housing** (case management services provided and residency limited to a certain length of time, usually no more than 24 months)
- ☐ **Permanent Supportive Housing** (Considered long-term rental housing for very low-income families and individuals who are among the hardest to serve and who are most vulnerable to homelessness. This type of housing provides case management services to residents as needed).

If you checked Permanent Supportive Housing, please complete the information below.

A. Types of proposed PSH Units: Multi-family _____ Single-family (1-4 units) _____

B. Numbers of proposed PSH Units:

- _____ Total Number of Units in project
- _____ Total Number of RHDA-assisted Units Proposed (include PSH units and non-PSH units)
- _____ Total Number of Permanent Supportive Housing (PSH) Units Proposed

C. Check the population or sub-population(s) proposed to be served and indicate the number of units dedicated to that population or sub-population.

Individuals or families headed by individuals that are:

- ☐ **Chronically homeless** as established in the HEARTH Act (Homeless Emergency and Rapid Transition to Housing Act of 2009) found at 24 CFR Part 577.
NUMBER OF UNITS _____
- ☐ Households that would otherwise meet the HUD definition of chronically homeless per the HEARTH Act, but **have been in an institution for over 90 days**, including a jail, prison, substance abuse facility, mental health treatment facility, hospital or other similar facility.
NUMBER OF UNITS _____
- ☐ Unaccompanied youth or families with children **defined as homeless under other federal statutes** who:
 - have experienced a long-term period without living independently in permanent housing;
 - have experienced persistent instability as measured by frequent moves over such period; and
 - can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.NUMBER OF UNITS _____
- ☐ A single adult or household led by an adult **'aging out' of state custody of the foster care or juvenile probation system**, where the head of household is homeless or at-risk of homelessness.
NUMBER OF UNITS _____

5. _____ Any other population **not defined above** but who would otherwise be eligible for or need permanent supportive housing services.
NUMBER OF UNITS _____

NOTE: APPLICANTS CHECKING C.1, C.2, C.3, or C.4 ABOVE MUST COLLECT AND REPORT INFORMATION INTO THE HOMELESS MANAGEMENT INFORMATION SERVICE (HMIS)

4. **Project Description.** Provide a brief project description that addresses items "A" through "L" below.
(SEE ATTACHMENT A)
- Describe the tenant population, income levels, and services, if any, to be provided to or made available to residents.
 - Include the type of structure (multi-family or single-family), number and size of units in square feet.
 - Indicate whether the property is occupied at the time this application is being submitted.
 - Indicate whether the project meets the requirements of the City's Vertical Mixed-Use (VMU) Ordinance, or is in a Planned-Unit Development (PUD) or Transit Oriented Development (TOD).
 - Indicate whether the project will preserve existing affordable rental units.
 - If there are existing structures, provide documentation from the taxing authority or another third-party source indicating the year the structure was built.
 - Indicate the number of units reserved for Housing Choice Voucher holders (Section 8).
 - Indicate the number of units that are or will be made accessible and adaptable for persons with mobility, sight or hearing disabilities.
 - Demonstrate the Project's compatibility with current Neighborhood Plan (if applicable).
 - In addition to providing an Itemized Development Budget through your response to Question 12 below, summarize the key financials of the project, clearly indicating the total project cost, the amount and intended use of AHFC funds being requested, and the amount(s) and provider(s) of other funding and the stage of those funding commitments.

Please attach the following to the description of the above items:

- A map (8 1/2" x 11") indicating the property location and the distance to the nearest Capital Metro Transit Stop to which residents will have access.
- Locate on the "Opportunity Map of Austin" the census tract in which the property lies. The map is attached to the Program Guidelines.

5. **Site Control and Demonstration of Value**
(SEE ATTACHMENT B)

Include evidence of site control such as a warranty deed or an current earnest money contract, and provide a real estate appraisal or current tax documentation that substantiates the value of the project.

6. **Zoning**
(SEE ATTACHMENT C)

Include a letter from the City of Austin's Planning and Development Review Department (PDRD) verifying that the current zoning of the site for the proposed project is compatible with the anticipated use, or include documentation verifying that a request to change current zoning has been submitted to PDRD. Should the project be approved for funding, the appropriate zoning must be in place prior to execution of loan documents.

7. **S.M.A.R.T. Housing™**
(SEE ATTACHMENT D)

Include a copy of the letter that indicates the project has been reviewed and meets S.M.A.R.T. Housing™ requirements.

8. **Development Team.** Identify below the persons or entities anticipated to be involved in the project, such as lenders, attorneys, accountants, architects, engineers, general contractor, sub-contractors, property managers and consultants. Also, indicate if any person or entity involved is certified by the City of Austin as a minority or women-owned business enterprise (**MBE/WBE**), or if any of the entities are also **non-profit** organizations.

	Name(s) & Any Comments on Role	MBE? (Mark X if Yes)	WBE? (Mark X if Yes)	Non- profit? (Mark X if Yes)
Owner	Austin Senior Living LP			
Developer	Cadence Multifamily LLC			
Architect	Stephen Gele Architect, Inc.			
Engineer	Austin Civil Engineering			
Construction Lender	PNC Bank – HUD(HUD 221 d4 Project)			
Other Lenders	N/A			
Attorney	Rick Hightower			
Accountant				
General Contractor				
Consultant (if Applicable)	S2A Development Consulting		X	
Property Management Provider	Capstone Real Estate Service, Inc.			
Other:				

9. **Development Schedule.** Complete the grid below. You may re-order the steps according to the appropriate sequence for your project and to add in any other significant steps integral to your project's development. If the multiple properties are involved, provide a development schedule for each property.

	DATE(S)
Acquisition (land Only)	June 16, 2011
Environmental and/or historic review (AHFC)	August 1, 2011
HUD - Pre Appl. Screening and Issuance of Letter of Invitation	Oct. 21, 2011
Construction Specifications and Cost estimates	Oct. 21, 2011
Construction Bids	Nov. 1, 2011
HUD - MAP Firm Commitment	Jan. 15, 2012
Construction Start	Feb. 15, 2012
Anticipated Draws (list all)	
End Construction	Oct. 15, 2012
Start of Rent-up	Oct. 15, 2012
Completion & Operation	Nov. 15, 2012

10. **Accessible and Adaptable Units.** Indicate the number of units proposed to be **accessible and adaptable** for persons with mobility, sight and hearing disabilities as required by RHDA Program Guidelines.

142 Units adaptable for persons with mobility disabilities

8 Units accessible for persons with mobility disabilities

147 Units adaptable for persons with sight and hearing disabilities

3 Units accessible for persons with sight and hearing disabilities

11. Experience and Qualifications – Rental Development and Property Management

a. Is this the developer's first housing project? ☐ Yes ☒ No

b. Completed projects (please list below):

COMPLETED PROJECTS				
Address	Number of Units	New or Rehab	Type of Property (apartments, SF units, etc.)	Year Completed
Blanco Park Apartments	186	New	Apartments	2011

c. Describe the **experience and qualifications** and the developer's ability and capacity to implement the proposed project.

The principals of Cadence Multifamily, LLC have a combined 62 years' experience in real estate development, specifically, in the acquisition, planning, construction, leasing, and management of apartment communities in Central Texas.

d. Indicate who will provide **property management** services. Provide documentation to demonstrate the entity's level of experience and track record in operating properties of similar size, particularly income-restricted properties. **(SEE ATTACHMENT E).**

Capstone Real Estate Services, Inc.

12. Detailed Project Budget. Use the following table, or comparable format, to provide a complete project budget. Add line-items as necessary. If this project has already received funding from AHFC, indicate by line item the amounts from the prior award.

DETAILED PROJECT BUDGET				
	Cost	Prior award of RHDA Funds (if any)	RHDA Funds Requested	Description or Comments
PREDEVELOPMENT				
Impact Fees	50,000			
Building Permits	50,000			
Soils Report	12,500			
Survey	12,500			
Architectural	375,000			
TOTAL PREDEVELOPMENT	500,000			
ACQUISITION				
Site and/or Land	1,050,000			
Structures				
Other (specify)				
TOTAL ACQUISITION	1,050,000			
CONSTRUCTION				

Earth Work	582,500			Engineering & Staking, Grading, Underground, Termite
Site Utilities	335,000			Site Water, Sewer, Storm Drains
Roads and Walks	162,500			Site Concrete
Concrete	1,586,000			Foundation/Slab, Parking Garage, Termite, Lt. Wt. Concrete, Gypcrete
Masonry	145,000			Stone Veneer
Metals	136,600			Steel Stairs, Rails
Rough carpentry	2,604,017			Rough Carpentry & Trusses
Finish carpentry	139,000			Install Trim, Handrail, Molding, etc
Waterproofing	12,000			Caulking & Sealants
Insulation	104,500			Batt & Blown Insulation
Roofing	119,500			Asp. Shingles
Sheet Metal	9,500			Flashing and Other Sheet Metal
Plumbing/Hot Water	832,000			Plumbing System, Fire Sprinkler System
Heating and Ventilation	280,000			HVAC System
Air Conditioning	280,000			
Electrical	1,014,614			Elec. System Including Switch Gear, Fire Alarms, Telephone & TV Outlets
Doors	298,500			Door, Hardware, Trim, Access Doors
Windows	84,600			Windows and Sliding Glass Doors
Mirrors	18,960			
Drywall	588,000			Interior Sheetrock & Finish
Gutters and Downspouts	23,500			
Resilient Flooring	92,400			Sheet Vinyl Floor Covering
Paint/Decorating	223,000			Interior/Exterior Paint
Specialties	39,200			Mailboxes, Toilet Part, Ident. Dev., Toile. Acc. F.E., Med. Cab.
Cabinetry	278,000			Fab. & Install all Cabinets
Appliances	252,000			Res. Equipment
Blinds and Shades, Artwork	29,900			Blinds & Drapes
Carpets	175,764			Carpet & Floor Mats
Special Construction	150,000			
Elevators	178,500			
Site Improvements	207,500			Pool, Deck, Pool Fence, Walking Trail
Lawns and Planting	200,000			Landscaping, Fine Grading
General Requirements	709,512			
Builder's Overhead	237,853			
Bond Premium	72,446			
TOTAL CONSTRUCTION	12,202,926			
SOFT & CARRYING COSTS				
Legal	25,000			
Tax Credit Fees	49,000			
HUD/FHA Inspection Fee	70,039			
Financing Fee	280,156			
Placement Fee	100,039			
HUD/FHA Mortgage Insurance Premium	126,070			

HUD/FHA Exam/Application Fee	42,023			
Cost Certification Audit Fee	10,000			
Other	250,000			
Audit/Accounting				
Title/Recording	20,000			
Architectural (Inspections)	40,000			
Construction Interest				
Construction Period Insurance				
Real Property Taxes	10,500			
Parkland Fee	40,000			
Housing Consultant Fees	40,000			
Developer Fee				
Partnership Hazard & Liability	70,074			
Operating Deficit Escrows	456,006			
Capital Interest Reserve				
Reserve for Replacement	45,000			
Operating Reserve	184,994			
TOTAL PROJECT BUDGET				

13. Funds Proposal. Provide the following information to facilitate financial review of the proposed project:

- a. **Sources and Uses of Funds** – Complete **Tables A (below) & B (on the following page)**, identifying all sources and uses of funds to implement project and include evidence of funds anticipated (financial statements, commitment letters, etc.).

TABLE A: SOURCES OF FUNDS SUMMARY (SEE ATTACHMENT F FOR EVIDENCE)					Intended Use of Funds (Predevelopment, Acquisition, Construction, Soft Costs)
	Term	Interest Rate	Amount	Evidence (Deed Sales Contract Commitment Letter)	
Equity from 4% Tax Credits			\$5,937,737	Commitment Letter	Construction
Private Financing (List Lenders)					
PNC Real Estate FHA 221(d)(4)	40 years	5.25%	\$12,500,000	Commitment Letter	Construction
Other Sources (List Below)					
AHFC Bond Financing			\$815,000	Applied	Construction
Proposed RHDA Funds			\$1,200,000		Soft Costs

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Acquisition	1,050,000	7,000.00
Hard Costs	12,202,926	81,352.84
Indirect Construction Costs	685,574	4,570.49
Developer & Consulting Fees		
Financing Costs		

Reserves		
Total Project Costs		

- b. **Leveraging** – Complete **Table C (below)**. Include evidence of other funds leveraged by AHFC funds to implement the project such as owner equity and commitments from private and/or other public resources.

TABLE C: LEVERAGE SUMMARY	
TOTAL RHDA FUNDS	\$1,200,000
TOTAL OTHER FUNDS	\$19,252,737
LEVERAGE (%)	6.2%

- c. **Operating Proforma** – In a format comparable to Table D below, prepare a minimum twenty (20) year financial Operating Proforma which realistically reflects the operation of the project relative to current and anticipated revenues, expenses and debt. The Proforma must indicate the anticipated debt coverage ratio (DCR) calculated as follows: net operating income (NOI)/debt service (DS) = DCR. For projects that will not carry debt, use the number "1" as the denominator in the equation.
(SEE ATTACHMENT F)

TABLE D: OPERATING PROFORMA			
Unit Size (BR/BA)	Number of Units	Monthly Rental Income	Annual Rental Income
FULL OCCUPANCY ANNUAL INCOME			
Less Vacancy Loss (Indicate % and Amount of Loss)			
GROSS ANNUAL INCOME			

Inflation Factor – Income	
Inflation Factor – Expense	

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Annual Income					
EXPENSES					
Utilities					
Insurance					
Maintenance/Repair					
Property Taxes					
Management					
Marketing					
Maintenance Reserve					
Other (specify)					
Other (specify)					
TOTAL EXPENSES					
NET OPERATING					

INCOME (NOI)					
Sources of Funds & Debt Service					
TOTAL ANNUAL Debt Service (DS)					
Cash-flow after Debt Serv (CF = NOI - DS)					
Debt Coverage Ratio (DCR = NOI/DS)					

14. Community Engagement Strategy or Efforts. Please provide a description of your organization's efforts or plans to engage neighborhood associations and other stakeholders in the area surrounding the proposed development. If no neighborhood association exists, provide an alternative plan to engage area residents, businesses and faith-based organization, for example.
(SEE ATTACHMENT G)

15. Description of Supportive Services. If supportive services are NOT to be provided, please stop here. For all other projects, if supportive services are to be provided to residents, provide a description of the services that includes the following information:
(SEE ATTACHMENT H)

- A description of the supportive services to be provided to residents and/or clients.
- The number and types of residents/clients expected to be served annually.
- Describe the developer's experience and qualifications in providing the services to be offered.
- If services are not provided by the developer of the project, include a description of the organization(s) providing the services and a memorandum of understanding or some other type of agreement that indicates the relationship between the developer and service provider.
- Provide resumes of key personnel who will be actively involved in the delivery of services. Resumes should include information about certifications, licenses, years of experience, and education.
- Demonstrate financial capacity to provide support services and/or operate a supportive services program by providing the following information:
 - Sources of Funds: Identify sources and amounts of funds that will be utilized to provide supportive services.
 - Budget: Include a supportive services budget which reflects current and anticipated funding and expenses associated with the provision of services for three (3) years.

ATTENTION:

Please submit with the Application a completed "self-evaluation" using the following Scoring Criteria.

**RHDA PROGRAM
SCORING CRITERIA**

Applications received will be reviewed and evaluated according to the following criteria:

REQUIRED INFORMATION:

- | | |
|-----------------------------------|-------------------------------------|
| 1. Applicant Information _____ | 9. Accessible/Adaptable Units _____ |
| 2. Non-profit List of Items _____ | 10. Experience/Qualifications _____ |

3. Project Description _____
4. Site Control/Value _____
5. Zoning _____
6. S.M.A.R.T. Housing _____
7. Development Team _____
8. Development Schedule _____

11. Project Budget _____
12. Funds Proposal: _____
 - a. Sources _____
 - b. Uses _____
 - c. Leveraging _____
- d. Operating Proforma _____
13. Community Engagement Strategy or Efforts _____

EVALUATION CRITERIA:

Applications for proposed projects will be reviewed and scored on a competitive basis per the evaluation criteria below. Applications must receive a minimum score of **150** points out of a maximum score of **225** points. PLEASE NOTE: A score above the minimum score does not guarantee funding.

1. **EXPERIENCE AND QUALIFICATIONS** (maximum 15 points) 15
 - 15 points:** Developer has successfully completed project similar in size and scope.
 - 10 points:** Completed similar project but smaller in size and scope.
 - 8 points:** Consultant directly involved who has completed project similar in size and scope.
 - 3 points:** Owns or manages income-restricted rental property.

2. **SOURCES & USES OF FUNDS** (maximum 10 points) 10
 - 10 points:** All sources and uses of funds are clearly indicated and sufficient evidence of funding availability and/or commitments are included.
 - 5 points:** All sources and uses of fund are clearly indicated, but evidence of funding availability or commitments are incomplete.

3. **DEBT COVERAGE RATIO** (maximum 10 points) 4
 - 10 points:** DCR of 1.25 or greater
 - 6 points:** DCR between 1.21 - 1.24
 - 4 points:** DCR between 1.15 - 1.20

4. **LEVERAGE** (maximum 10 points) 10

RHDA Program funding (prior and current) relative to Total Project Costs equals:

 - 10 points:** 25% or less
 - 8 points:** 26% - 30%
 - 6 points:** 31% - 35%
 - 4 points:** 36% - 50%
 - 0 points:** 51% or greater

5. **AFFORDABLE UNITS** (maximum 25 points) 25

If development has a mix of 30%, 40%, and/or 50% MFI units, add the results for the percentage of units in each income category up to the maximum of 25 points. If the project has a percentage of units in a given income category that is not an exact multiple of ten as shown in the chart, please round up to the next multiple of 10 and use that point value.

% of G.O. Bond-assisted Units in Total Project										
% MFI	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
50%	3	5	7	9	11	13	15	17	19	25
40%	5	7	9	11	13	15	17	19	21	25
30%	7	9	11	13	15	17	19	23	24	25

6. **RHDA COST PER UNIT** in \$1,000s (maximum 10 points)

10

	<u>Acquisition</u>	<u>Refinance</u>	<u>Rehabilitation</u>	<u>For-Profit New Construction</u>	<u>Non-Profit New Construction</u>
10 points	<\$45/unit	<\$30/unit	<\$30/eff.	<\$40/unit	<\$60/unit
8 points	<\$55/unit	<\$40/unit	<\$35/1-bd	<\$50/unit	<\$70/unit
6 points	<\$65/unit	<\$50/unit	<\$40/2-bd	<\$60/unit	<\$80/unit
4 points	<\$75/unit	<\$60/unit	<\$45/3-bd+	<\$70/unit	<\$90/unit

7. **TRANSITIONAL HOUSING** (10 points)

0

10 points: Project will be developed and operated as transitional housing.

8. **PERMANENT SUPPORTIVE HOUSING (PSH)** (maximum 20 points)

10

20 points: Project will reserve units for PSH for the following populations:

- Chronically Homeless as established in the HEARTH Act (24 CFR Part 577)
- Have been in an institution for over 90 days
- Unaccompanied youth or families with children defined as homeless under other federal statutes
- Youth "aging out" of state custody or the foster care or the juvenile probation system

10 points: Project will reserve units for PSH for populations other than those listed above.

9. **GEOGRAPHIC DISPERSION** (maximum 25 points)

20

Project is located in an area identified according to the Kirwan Institute's Opportunity Map of Austin (Map #2) as having greater opportunity for low-income households.

- 25 points:** Very High priority area
- 20 points:** High priority area
- 15 points:** Moderate priority area
- 10 points:** Low priority area
- 5 points:** Very Low priority area

10. **PRIORITY LOCATION** (10 points)

0

10 points: Project is located in a Vertical Mixed-Use (VMU) Corridor, or is a Planned-Unit Development (PUD) or Transit Oriented Development (TOD).

11. **PRESERVATION OF AFFORDABLE UNITS** (10 points)

0

10 points: Project is the rehabilitation and preservation of existing affordable housing units, or new units are being constructed to replace existing affordable units at the same location on a one-to-one replacement basis or a greater than one-to-one replacement basis.

12. **AFFORDABILITY PERIOD** (25 points)

25

25 points: Affordability of project is for 99-years.

13. **PROJECT READINESS** (maximum 10 points)

10

New construction

2 points each; maximum 10 points

- ☐ The project meets the normal eligibility requirements under the existing program guidelines.
- ☐ The property is already owned by the developer.
- ☐ The project has completed all necessary design work and received
- ☐ All environmental reviews have been completed.
- ☐ The project has firm commitments from all financing sources.

Acquisition and Rehab

2 points each; maximum 10 points

- ☐ The project meets the normal eligibility requirements under the existing program guidelines
- ☐ All environmental reviews have been completed.
- ☐ The project has firm commitments from all financing sources.
- ☐ A General Contractor has been selected.
- ☐ Closing on the acquisition of the property can be achieved in less than 30 days.

Acquisition of Completed Units

2.5 points each; maximum 10 points (A total score of 2.5 points will be rounded to 3; a total score of 7.5 points will be rounded to 8.)

- ☐ The project meets the normal eligibility requirements under the existing program guidelines
- ☐ All environmental reviews have been completed.
- ☐ The project has firm commitments from all financing sources.
- ☐ Closing on the acquisition of the property can be achieved in less than 30 days.

14. **PROPERTY MANAGEMENT** (maximum 10 points)

10

10 points: Designated Property Management Entity has documented track record of success managing income-restricted properties of similar size and/or similar unit counts, and has the capacity to take on management of the proposed project.

8 points: Designated Property Management Entity has a documented track record of success managing income-restricted properties of smaller size and/or fewer units, and has the capacity to take on management of the proposed project.

4 points: Designated Property Management Entity has a documented track record of successful property management experience and has the capacity to take on management of the proposed project, but has not managed an income-restricted property.

15. **SUPPORTIVE SERVICES** (maximum 15 points)

10

15 points:

- a. The developer has secured written agreements with organizations that will provide resident services, or has experienced and qualified staff (7 or more years of experience) able to provide the same services.
- b. Funds have been secured for the operation of resident services programs.
- c. A 3-year operating budget for the operation of the resident services programs is provided.

10 points:

- a. The developer has secured letters of intent from organizations that intend to provide resident services, or has experienced and qualified staff (3 to 6 years of experience) able to provide the same services.
- b. Funds have been secured for the operation of the resident services programs.
- c. A 3-year operating budget for the operation of the resident services programs is provided.

5 points:

- a. The developer has experienced and qualified staff (1 to 2 years of experience) able to provide the same resident services.
- b. Funds have been secured for the operation of the resident services programs.
- c. A 3-year operating budget for the operation of the resident services programs is provided.

2 points:

- a. The developer has arrangements with organizations to provide services, or has experienced and qualified staff able to provide the same resident services.
- b. Funds have been not been secured for the operation of the resident services programs.

16. **MBE/WBE PROJECT PARTICIPATION** (5 points)

5

5 points: Development Team includes registered City of Austin minority- or women-owned business enterprises (M/WBE).

17. **PARTNERSHIP WITH OTHER NON-PROFIT ENTITIES** (5 points)

0

5 points: Applicant provides evidence of commitment from another certified non-profit organization to partner on the project in some way.

TOTAL SCORE 164

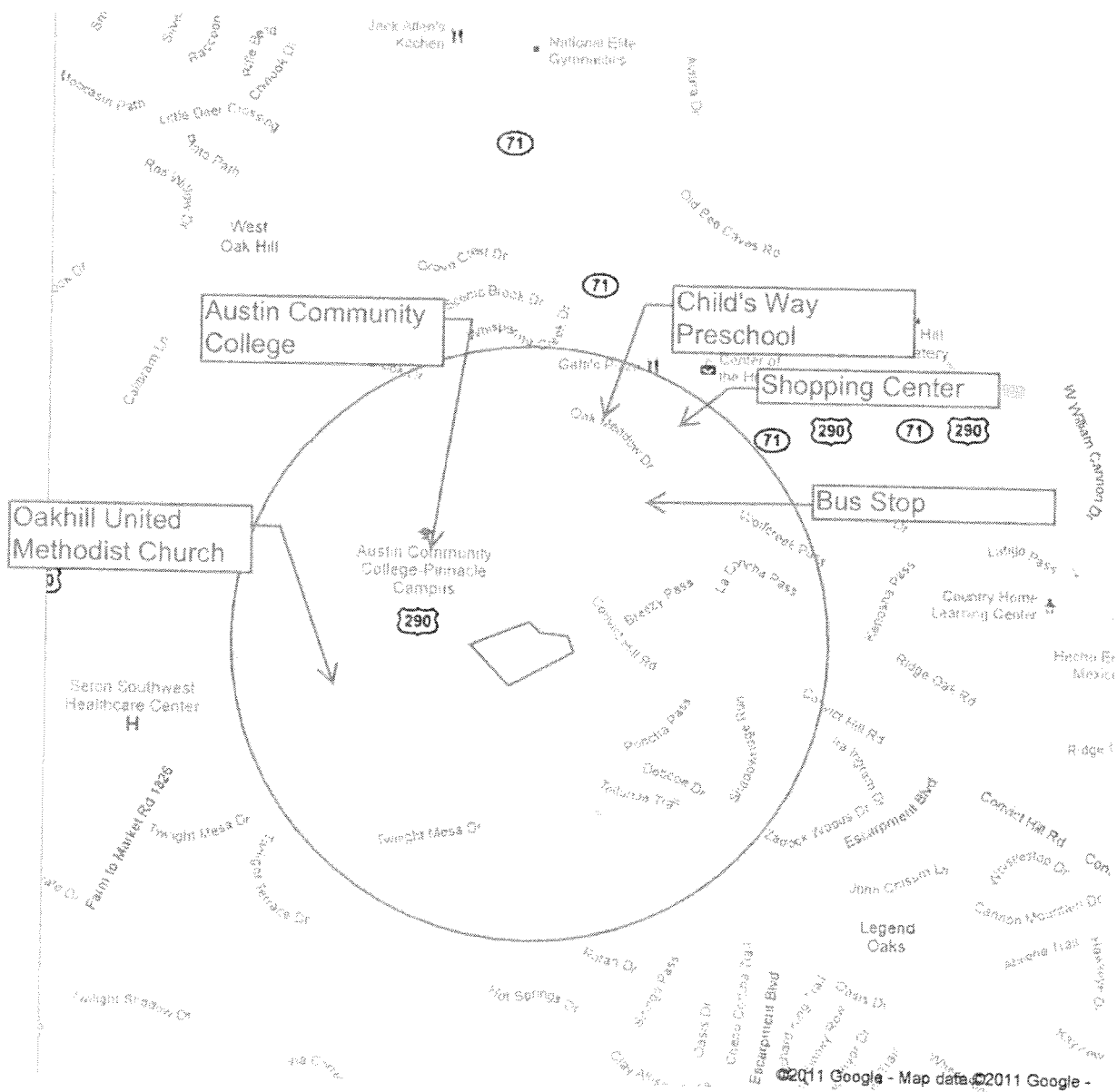
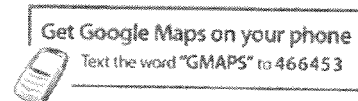
ATTACHMENT A – PROJECT DESCRIPTION

ATTACHMENT A - PROJECT DESCRIPTION

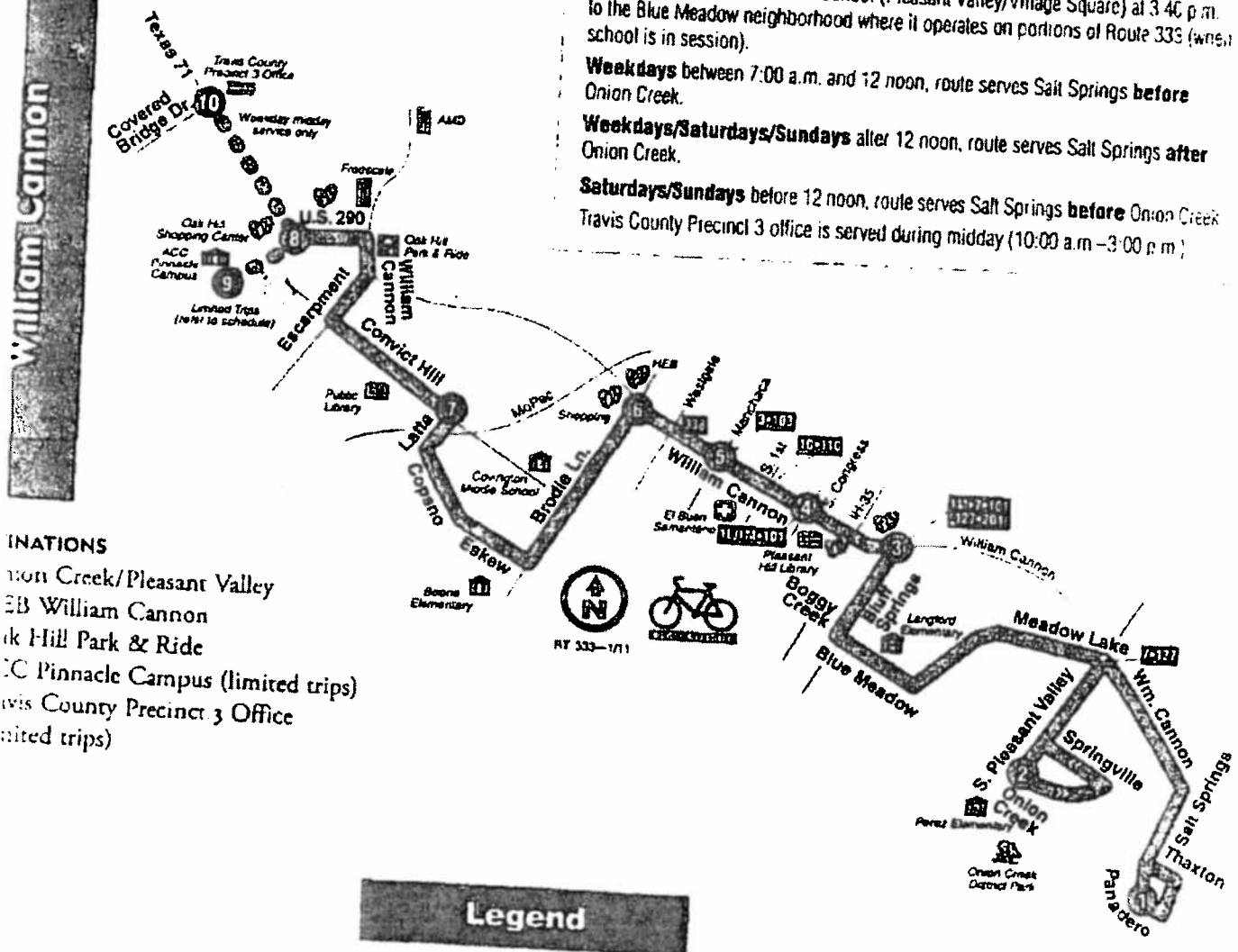
- a. Austin Senior Living is restricted to active adults 62 years of age or older and those who earn at or below 60% of the Area Median Gross Income. Supportive services provided to the residents include health care, meal planning, house cleaning assistance, money management and transportation. Community Services available to tenants include; a fully appointed clubhouse, resort style swimming area, spacious activity room with dance floor and kitchen, arts and crafts, business social services center, full library and study, coffee shop with terrace, game room, fitness studio, resident community garden, shuffleboard court, horseshoes and bocce court, walking trail and picnic area, storage units on site, social, recreational and cultural activities, scheduled activities on-site, and pet friendly.
- b. This is a multi-family development and will consist of 1 1-bedroom unit at 680 square feet, 96 1-bedroom units at 757 square feet, 1 1-bedroom unit at 954 square feet, 14 2-bedroom units at 948 square feet, and 38 2-bedroom units at 1,058 square feet.
- c. The development is new construction and the land is currently undeveloped and unoccupied.
- d. Does not meet VMU, PUD, or TOD requirements
- e. There are no existing units on site. All living units in the development will consist of affordable rental units.
- f. No existing structure.
- g. There are no units reserved for Housing Choice Voucher Holders (section 8).
- h. 142 units adaptable for persons with mobility disabilities; 8 units accessible for persons with mobility disabilities; 147 units adaptable for persons with sight and hearing disabilities; 3 units accessible for persons with sight and hearing disabilities.
- i. Austin City Living, located at 7501 US 290 West, is located in the Oak Hill Combined Neighborhood Planning Area. The project complies with the uses set forth on the Combined Neighborhood Plan Future Land Use Map. The Map indicates that the subject property should be set for commercial use; which is the intended use of the proposed development set forth by the applicant.

The current zoning designation of the property, identified in zoning ordinance no. 20081211-097 as tracts 315280 and 315281, is zoned GR-CO-NP. The proposed use of the subject property falls within the description of congregate living and meets the definition of the description of congregate living as defined by Section 25-2-6 (B)(11) of the Land Development Code of the City of Austin. The proposed use of the property as congregate living will be considered a legal conforming use of the property by complying with the applicable development regulations of the City of Austin as established through the Land Development Code of the City of Austin and supported by the Technical Manuals of the City of Austin.

It is the applicant's full intent to work with the neighborhood organization to develop Austin Senior Living to be compatible with the Neighborhood Plan and/or current desires.
- j. Austin Senior Living is in the process of securing \$1,200,000 from AHFC for rental development financing, \$815,000 in bond financing from the Austin Housing Finance Corp., \$12,500,000 from PNC Real Estate in FHA 221(d)(4) new construction financing, and in syndication proceeds leveraging 4% Housing Tax Credits.



333



INATIONS

- on Creek/Pleasant Valley
- EB William Cannon
- ak Hill Park & Ride
- IC Pinnacle Campus (limited trips)
- avis County Precinct 3 Office
- imited trips)

Legend

- Business
- Government Building
- Hospital or Clinic
- Library
- Park
- Passenger Rail Station
- Point of Interest
- School
- Shopping
- Texas State Capitol
- Timepoint—an intersection used as a reference point for trip planning and to estimate bus arrival or departure times. (Additional bus stops are located every two to three blocks along the route.)
- Transfer—a point along a route at which passengers may transfer to connecting routes.
- Transit Center or Facility
- University of Texas
- University or College

Map 2: Comprehensive Opportunity Map, City of Austin

KIRWAN
INSTITUTE

This map displays the spatial pattern of distribution of opportunity in City of Austin based on Economic, Mobility, Education, Public Health and Neighborhood Indicators.

LEGEND

--- Limited Access

--- Highway

--- Major Road

--- Water Feature

--- Counties

--- Urban Areas

Regional Opportunity

Opportunity Ranking

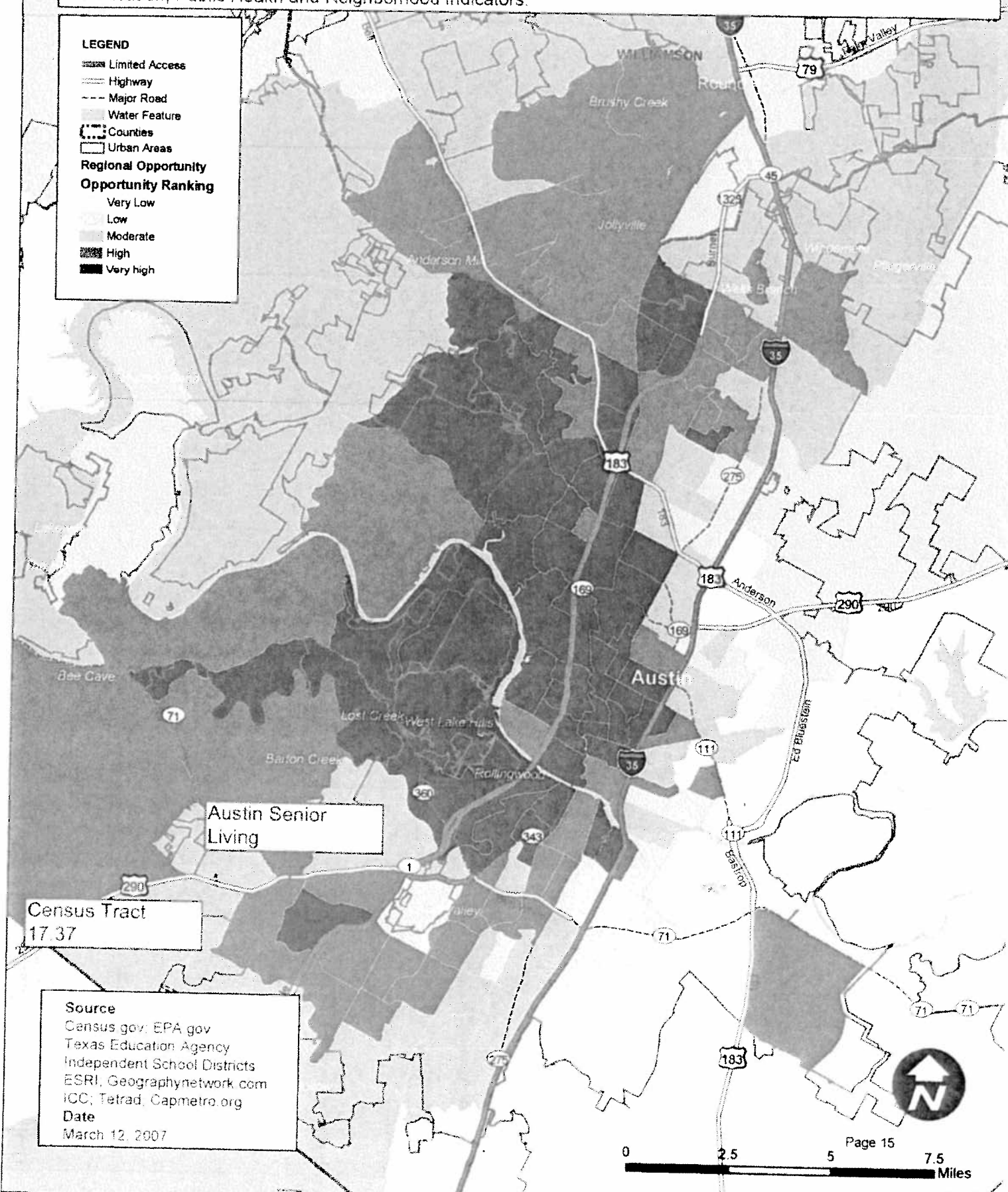
Very Low

Low

Moderate

High

Very high



Austin Senior
Living

Census Tract
17.37

Source

Census.gov, EPA.gov
Texas Education Agency
Independent School Districts
ESRI, GeographyNetwork.com
ICC, Tetrad, CapMetro.org

Date

March 12, 2007

Page 15

0 2.5 5 7.5 Miles

BASTRO

**ATTACHMENT B – SITE CONTROL & DEMONSTRATION OF
VALUE**

ATTACHMENT C – ZONING

Hutson Land Planners
Development Consultants, LLC

March 31, 2011

Greg Guernsey, AICP, Director
Planning and Development Review Department
City of Austin
505 Barton Springs Road
Austin, Texas 78704

RE: Austin Senior Living
7501 US 290 West
Austin, Texas 78737

Dear Mr. Guernsey:

Cadence Multifamily is preparing a loan application pursuant to the U.S. Department of Housing and Urban Development (HUD), Section 221(d)(4) mortgage insurance program. As part of the loan submission, HUD requires that a zoning verification be evidenced by the proper jurisdiction. Hutson Land Planners & Development Consultants, LLC acting as the agent for Cadence Multifamily through the development review process hereby request your cooperation in establishing the following:


1. The zoning designation of the property located at 7501 US 290 West and as identified in the attached location map and as identified in zoning ordinance no. 20081211-097 as tracts 315280 and 315281 is zoned GR-(C)-NP.
2. The proposed use of the subject property falls within the description of congregate living and meets the definition of the description of congregate living as defined by Section 25-2-6 (B) (11) of the Land Development Code of the City of Austin.
3. The proposed use of the property as congregate living will be considered a legal conforming use of the property by complying with the applicable development regulations of the City of Austin as established through the Land Development Code of the City of Austin and supported by the Technical Manuals of the City of Austin.

Additionally, please provide us, along with this acknowledgement, a copy of the applicable zoning map. A copy of the legal description of the subject property and zoning ordinance 20081211-097 are attached to assist you in your confirmation.

Hutson Land Planners
Development Consultants, LLC

Thank you for your assistance and cooperation. Should you have any questions, please feel free to contact me at 512-327-8222.

Sincerely,



Duane Hutson, AICP
Hutson Land Planners & Development Consultants, LLC

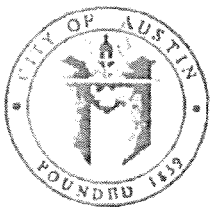
ACKNOWLEDGEMENT:

By: Heaven Plouffe

Title: Planner Senior

City of Austin, Planning and Development Review Department

ATTACHMENT D – S.M.A.R.T. HOUSING



City of Austin

10000 Burnet Road, Austin, TX 78756
www.austintexas.gov

Neighborhood Housing and Community Development Department

Gina Copie, S.M.A.R.T. Housing Program Manager
(512) 974-1180, Fax: (512) 974-3112, gina.copie@cityofaustin.org

November 10, 2011

S.M.A.R.T. Housing Certification

Austin Senior Living, LP, Austin Senior Living-7501 U.S. Hwy 290 West

TO WHOM IT MAY CONCERN:

Austin Senior Living, LP, development contract Robert Kugger, 512-341-8888, is planning to construct 150 unit multi-family rental dwellings at 7501 U.S. Hwy 290 West. The project is located in the West Oak Hill Planning area.

S.H.R.D. certifies that the proposed construction meets the S.M.A.R.T. Housing standards at the pre-submittal stage. Eleven percent (11%) of the total units (17 units) in this development will serve households with incomes at or below 50% (MFI); and another two percent (2%) of the total units (3 units) in this development will serve households with incomes at or below 30% (MFI). Therefore the development is eligible for a waiver of 25% of the fees listed in the S.M.A.R.T. Housing Ordinance adopted by the City Council. I specified the waivers include, but are not limited to, the following fees:

Capital Recovery Fees
Building Permit
Concrete Permit
Electrical Permit
Mechanical Permit

Site Plan Review
Misc. Site Plan Fee
Building Plan Review
Construction Inspection
Misc. Subdivision Fee

Zoning Certification
Postpaid Dedication (by separate ordinance)
Land Status Determination
Plumbing Permit

Prior to issuance of building permits and starting construction, the developer must:

- Obtain a signed Conditional Approval from the Austin Energy Green Building Program stating that the plans and specifications for the proposed development meet the criteria for a Green Building Rating (Austin Energy, Katherine Murray, 512) 482-5351).
- Submit plans demonstrating compliance with accessibility standards.

Before a Certificate of Occupancy will be granted, the development must:

- Pass a final inspection and obtain a signed final Approval from the Green Building Program. Separate from any other inspections required by the City of Austin or Austin Energy.
- Pass a final inspection to certify that accessibility standards have been met.

The applicant must demonstrate compliance with S.M.A.R.T. Housing standards after the completion of the units, or repay the City of Austin in full the fees waived for this S.M.A.R.T. Housing certification.

Please contact me at 974-3112 if you need additional information.

Janet A. DeLenda

Neighborhood Housing and Community Development

City of Austin, Texas 78701
City of Austin, Texas
City of Austin, Texas

City of Austin, Texas
City of Austin, Texas
City of Austin, Texas

City of Austin, Texas
City of Austin, Texas
City of Austin, Texas

ATTACHMENT E – EXPERIENCE AND QUALIFICATIONS

COMMITMENT TO AFFORDABLE HOUSING

In the early 1990's, Capstone made a corporate decision to dedicate its time and resources to managing under a variety of affordable programs. We made this commitment because we believe it is good for the communities where we work and live, as well as the company.

Few firms, if any, make the effort we do. We send most of our Officers, District Managers and site Supervisors to in-house Capstone training as well as training provided by the appropriate state agencies. We have experience managing affordable communities in Arkansas, Arizona, California, Florida, Iowa, Kansas, Louisiana, Missouri, Mississippi, New Mexico, Oklahoma, Tennessee, and Texas. Consequently, we know the requirements and procedures in each state to be considered "**in compliance**" under the appropriate programs.

Affordable Housing Experience

In addition, we have years of experience with affordable housing of all types. This includes the LIHTC (Section 42) Program (family and seniors), Tax Exempt Bond (501 C3), HOME Programs, Project-Based Section 8, the RTC/ADHP Affordable Housing Program, Military Rent-Restricted, etc. All the programs have many similarities, especially with managing "**in compliance**". The income restrictions, forms, recertifying and reporting to the appropriate agencies are essential components of each. Currently, Capstone manages affordable apartment communities totaling approximately 20,000 units. The size of our portfolio ranks us as the 10th overall largest affordable multifamily management firm in the nation.

Compliance Monitoring

To better serve our clients, Capstone Real Estate Services, Inc. has a fully staffed Compliance Department to more effectively monitor properties we manage with government reporting requirements. The Compliance Department is responsible for reviewing and approving all new move-ins and recertifications to ensure compliance with the various affordable programs managed by Capstone. This department provides support, training, and technical assistance to onsite staff and their supervisors while working with other enforcement authorities, such as lenders, government agencies, and investors. This enables us to produce information and recommendations to the appropriate internal and external contacts on a timely basis. There are also periodic property file reviews to help ensure proper reporting is occurring. In fact, Compliance training is an integral part of our Compliance Department's efforts to keep our employees current with respect to the ever-changing requirements of the multiple programs we monitor.

Summary

Our commitment to our clients and residents under the various affordable programs is long-term. You can see we have dedicated the full strength of our firm to allow for maximum success. By investing in our clients through consistent and specialized training for our people, we are certain that only Capstone is best positioned to make the difference.

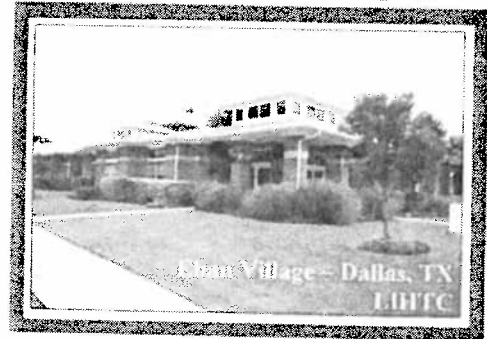


CAPSTONE'S AFFORDABLE PROGRAMS

Capstone has extensive experience in managing affordable housing and currently boasts a portfolio of **approximately 20,000 affordable communities**. While there are certain income limitations associated with these programs, these communities are not second rate. Our focus is to provide the residents and their families a quality living environment where the resident finds it memorable long beyond their stay there. Capstone continues to successfully enhance both the client's investment and the quality of life of the residents. Below is a brief overview of the types of affordable housing that Capstone has experience in managing.

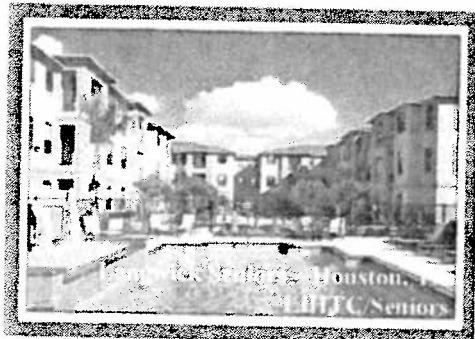
FAMILY (LIHTC)

Established in 1986, the Low Income Housing Tax Credit (LIHTC) Program is a significant resource for creating affordable housing in the United States today. Since 1987, over 120,000 units of affordable multifamily housing have been constructed or renovated under this program throughout Texas. The value associated with the tax credits allows residences in LIHTC developments to be leased to qualified families at below market rate rents. A large part of Capstone's affordable management portfolio, approximately **150 tax-credit properties totaling 20,000 units**, is LIHTC.



SENIORS (AGE-RESTRICTED - LIHTC)

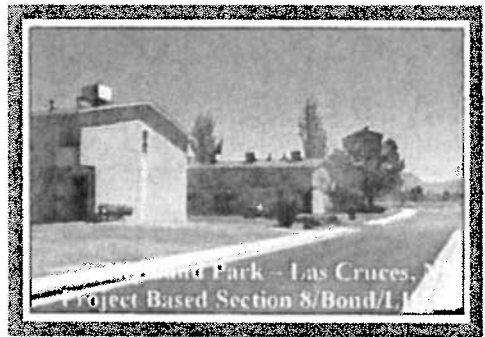
Senior housing has experienced a dramatic increase in demand over the last few years, causing a noticeable change in the multi-family housing market. Capstone's seniors' management experience is extensive and extends throughout Texas to Florida. Moreover, many senior (Age-Restricted) communities Capstone manages are rent-restricted, offering reasonably priced options which would otherwise not be available. **Capstone manages over 35 senior communities and is a recognized leader in this discipline.** The communities we are associated with are designed to accommodate the needs of and preferences of seniors in an independent living environment. Each property offers a variety of supportive services to residents, ranging from meals, transportation, social services, counseling, recreational programs, etc. The array of supportive services will vary from one community to another.



As the population of seniors continues to grow, investors, developers, and institutions in the multi-housing market will see a large portion of the market turn to catering the elderly. Capstone understands the many factors that go into a senior's choice of living arrangements, ensuring that **resident's expectations are exceeded and that our clients' investments continue to be valuable assets.**

HUD PROJECT-BASED SECTION 8

The HUD Project Based Section 8 program was established in 1974 and provides mortgage insurance to HUD-approved lenders to facilitate the construction, substantial rehabilitation, purchase and refinancing of multifamily housing projects and healthcare facilities. HUD's Office of Multifamily Housing Programs is responsible for the overall management, development, direction and administration of HUD's Multifamily Housing Programs. Communities may be tied to HUD loans, HAP Contracts or both. **Capstone's Project Based Section 8 portfolio currently consists of 30+ communities totaling approximately 3,150 units.**



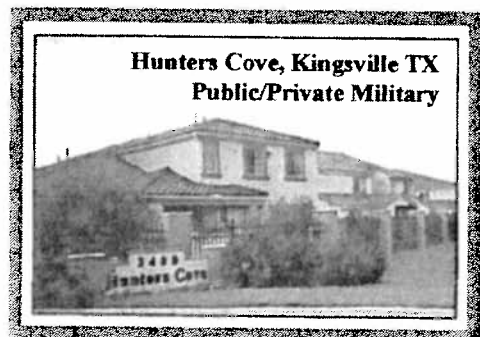
BOND

Agencies issue tax-exempt and taxable multifamily Mortgage Revenue Bonds to fund loans to for-profit and qualifying nonprofit 501(c)(3) organizations for the acquisition or development of affordable rental units. Properties financed through these programs are subject to unit set aside restrictions for lower income tenants and persons with special needs, tenant program initiatives, maximum rent limitations, as well as other requirements. **Capstone oversees over 40 Bond properties, or approximately 5,700 units.**



MILITARY HOUSING (Rent Restricted) HISTORIC PUBLIC / PRIVATE JOINT VENTURE DEPARTMENT OF DEFENSE

Capstone has experience with management assignments that are a result of a limited partnership formed between the U.S. Department of Defense and a private developer for the purpose of providing housing to military families stationed at **U.S. Naval Station Ingleside, NAS Corpus Christi, NAS Kingsville and Lackland Air Force Base, San Antonio.** While civilian residents are allowed, the units at each community were leased to military personnel and their families on a preferential basis. Rental rates and apartment types are restricted and **"rank designated"**. Family size was another criteria and determined **"bedroom eligibility"**.



OTHER

In addition to the programs above, Capstone also has experience overseeing communities under the following affordable programs:

- ❖ HOME
- ❖ Housing Trust Fund (HTF)
- ❖ Rural Development
- ❖ Affordable Housing Disposition Program
- ❖ Community Development Block Grant (CDBG)
- ❖ Walker Program



THE CAPSTONE EXPERIENCE.

SUCCESS HIGHLIGHTS

Currently, Capstone manages affordable apartment communities totaling approximately 20,000 units. In 2010, the size of our portfolio ranked us as the 12th overall largest affordable multifamily management firm in the nation.

Affordable Housing

❖ **Zero Material Non-Compliance issues** on the Affordable Communities we manage

❖ 63% of the properties managed by Capstone have a **score of 0** (i.e. no findings)

❖ Capstone selected to manage the celebrated first and only **LEED Platinum** Affordable Housing community in New Mexico – 1 of only 5 in the nation

❖ Capstone serves as a consultant to State Agencies and Public Housing Authorities regarding HOME and other affordable housing programs

HUD-Assisted/HUD-Insured

❖ REAC inspection score **average of 92** for 2010

❖ **Over 97%** of MOR inspections in the past year received **above satisfactory** ratings

❖ **Zero red flags** against Capstone

❖ Capstone currently manages over **30 Project Based Section 8** properties

FREQUENTLY ASKED QUESTIONS

Q: How long does it take for a file to be reviewed and approved?

A:

Q: How does the site staff submit the paperwork to your compliance department?

A:

Q: Besides compliance knowledge, does Capstone have experience in other areas?

A:

COMPLIANCE TAKEOVER PROCESS

SUMMARY

Capstone's Compliance Department operates with the simple philosophy to inform, support, coach, and motivate all on-site employees and their corporate supervisors to maximize property potential. This is achieved through our extensive knowledge and experience in establishing "affordable" housing management and compliance monitoring programs. Reliable communication between our compliance team in the corporate office, supervisors, and on-site staff helps position our clients' investments to realize their fullest potential. The results are two-fold – we must ensure the compliance needs are satisfied as well as maximize the properties' cash flow.

At the onset of management, Capstone administers careful and consistent application of operational policies and procedures. Training courses are conducted by our experienced compliance team with on-site staff within the first week of takeover. This helps educate staff in the procedures used in Capstone Compliance monitoring. **Training is specifically catered to the rules and regulations which govern each community.** A Compliance Manual is distributed to each affordable community which includes a synopsis of each chapter to encourage staff to utilize as a resource. Each new hire also partakes in a Webcast Employee Orientation, and receives instruction covering the processes to submit files for approval with the Compliance Department and properly maintain those approved files on-site. In addition, on-site training and e-training will be conducted periodically as state and federal policies change to ensure continue success of compliance related issues.

Our specialized experience and technical competence provides the properties we manage with the essential oversight and training critical for success.

Capstone also distributes an in-house, bi-monthly newsletter, The Compliant Times, to further enhance the skills and abilities of our employees at affordable properties. This includes information regarding policy or in-house changes, tips for success, etc.

CAPSTONE COMPLIANCE KEY PERSONNEL

DIRECTOR OF AFFORDABLE HOUSING COMPLIANCE

The **Director of Affordable Housing Compliance** is responsible for corporate compliance of state and federal regulations as they pertain to Section 42 affordable housing, project based assisted-housing and HUD-insured communities. Corporate compliance involves file maintenance and funding requirements attached to the LURA and includes all company-managed Low Income Housing Tax Credit Program (LIHTC) properties that require government auditing and reporting, such as Affordable Housing Disposition Program (AHDP), Tax Exempt Bond Program, HOME Program, Housing Trust Fund Program and Public Housing, and project based assisted/HUD insured communities. The Director of Affordable Housing provides support and training to properties, which deals with all aspects of Affordable Housing compliance.

Under the direction of the **Director of Affordable Housing Compliance**, the following positions provide specific oversight of state and federally regulated communities:

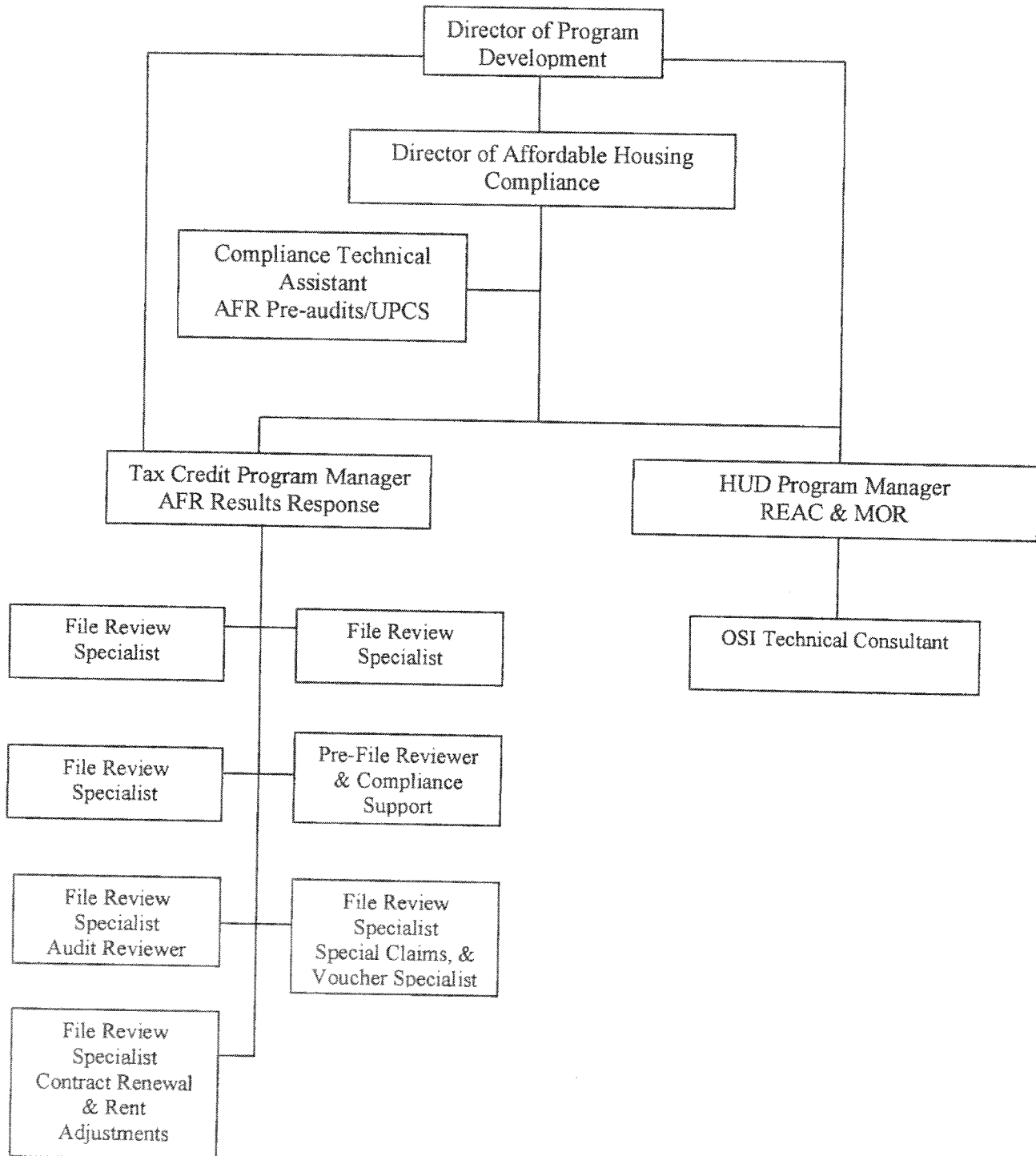
TAX CREDIT PROGRAM MANAGER

The **Tax Credit Program Manager** is an integral part of the Compliance Team assisting in the overall direction of the Eligibility Specialists, who determine income-eligibility. This position also provides technical assistance to on-site personnel, company trainers and senior managers to ensure that federal and state laws as well as company and client standards for compliance are clearly understood and obeyed in accordance with the requirements of current law, rules and regulations, client guidance and published company standard operating procedures. Inherent to the duties of this position are mastery of programs defining the compliance function and assuring the company's capability to perform within the context of the LIHTC, AHDP, Tax Exempt Bond Program, HOME Program, BOND, Housing Trust Fund Program and Public Housing.

HUD PROGRAM MANAGER

The **HUD Program Manager** is a fundamental part of the Compliance Team assisting in the overall direction of the programs pertaining to Project-Based Section 8 and Public Housing. This position also provides technical assistance to on-site personnel, company trainers and senior managers to ensure that federal laws, as well as company and client standards for compliance, are understood and obeyed in accordance with the requirements of current law, rules and regulations, client guidance and published company standard operating procedures. Inherent to the duties of this position are mastery of programs defining the compliance function and assuring the company's capability to perform within the context of the federal regulations governed by the Department of Housing and Urban Development (HUD) and Public Housing Authorities. This position works with Performance Based Contract Administrators and the HUD for Project-Based Section 8 properties. Responsibilities include assisting the site staff with annual management and occupancy reviews, responding to health and safety issues, and REAC preparation.

Capstone Compliance Department Organizational Chart

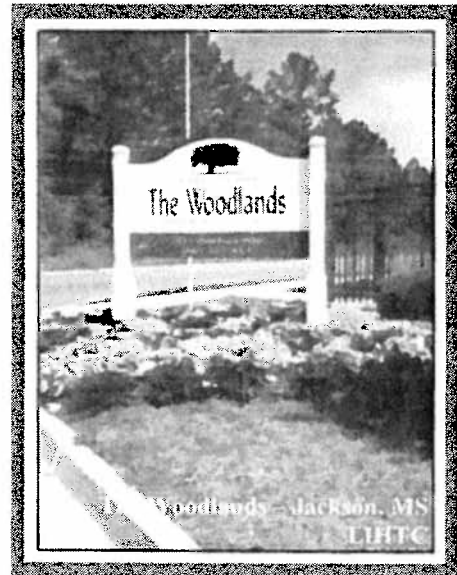


COMPLIANCE DEPARTMENT SERVICES

WHY CAPSTONE?

Capstone's Compliance Department administers a variety of services to provide for the needs of the affordable communities we manage. Below is a summary list of these services that can apply depending on the governmental reporting requirements associated with that asset. Our program is customized and designed to serve the needs of our clients and affordable housing aspects of their real estate investments.

- ❖ The key personnel of the Capstone Compliance Department have extensive experience in multiple affordable housing Programs offering over **44 years of combined expertise to benefit the assets we manage.**
- ❖ Capstone offers specialized instruction and training in affordable housing programs, including:
 - Low Income Housing Tax Credit
 - HOME
 - Tax-Exempt Bond
 - One-on-one training regarding property specific funding sources
- ❖ We offer HUD Project Based Section 8 instruction and training, including:
 - Contract Renewals
 - Voucher processing (TRACS/IMAX)
 - Special Claims
 - MOR
 - REAC
 - Rent Adjustments
 - Complete HUD Monthly Processing
- ❖ All resident files are approved by the Compliance Department prior to move in or recertification. Files are reviewed within 24 to 48 hours and in many cases **approved the same day**. Notification of household approval is submitted back to the property.



- ❖ All appropriate on-site personnel receive Compliance Training and are tested on their level of understanding.
- ❖ Annual state training is required for all appropriate on-site personnel and is tracked to ensure on-site personnel regularly attend.
- ❖ Capstone provides each property a Compliance Manual and Property Journal addressing all programs. These manuals are updated to reflect changes in law,

policy or forms. The Property Journal contains property specific information such as Regulatory Agreements, LURA, Funding Applications, and 8609's.

- ❖ The **Compliance Department also offers third party compliance monitoring services.** In these cases, Owners contract with the company on a fee basis to provide various compliance services mentioned in further detail below.
- ❖ Capstone's Compliance Department is familiar with various state reporting requirements and assists owners as requested. We can also make available monthly, quarterly and annual reports if necessary.

ADDITIONAL COMPLIANCE SERVICES

Capstone's ability to stay ahead of the ever-changing world of affordable housing and our in-depth compliance knowledge and insight provides our clients with many benefits as we successfully manage their investments. Some ways this is accomplished are:

- ❖ Shadow copies of first year files are completed after lease-up and sent to the Owner for long term storage.
- ❖ Enterprise Income Verification (EIV) set-up and monitoring
- ❖ Voucher submittal (TRACS and IMAX)
- ❖ Preparation and submission of quarterly and annual compliance reports
- ❖ Analysis of all regulatory documents to determine state and federal requirements
- ❖ Review of audit and physical inspection results for accuracy
- ❖ Quarterly update of PHA Utility Analysis
- ❖ Annual update of Utility Analysis
- ❖ Section 42 properties are tracked and evaluated for compliance with minimum set-asides, next available unit rule, unit vacancy rule, tenant income eligibility, rent/income limits. Recertification notices are sent 120 days in advance to the property to help ensure that recertifications are completed in timely manner.



COMPLIANCE CONSULTING SERVICES

Capstone Real Estate Services, Inc., has the experience, manpower and professionalism to offer third-party compliance consulting services. Independent of management, we currently provide consulting services to approximately **30 communities, comprising 3,000 units**. We maintain a high level of knowledge surrounding affordable housing regulations to ensure your investment is properly protected.

SCOPE OF SERVICES

Capstone Real Estate Services, Inc., Compliance Department conducts an analysis for its compliance consulting property assignments that may include the following:

1. Leasing and Occupancy Review

- a. A random 20% file review of all initial and annual recertification files.
- b. Report findings to Owner requiring follow-up.
- c. 30 day findings follow-up review.
- d. Report observations to Owner.

2. Physical Property Maintenance

- a. Uniform Physical Inspection Standards (UPCS) Compliance.
- b. Response Actions to UPCS Inspections.
- c. Assessment of monitored areas:
 - Site
 - Building Exteriors
 - Building Systems
 - Common Areas
 - Dwelling Units (20% selected at random)
 - Exigent Health and Safety (EH&S) Issues
- d. 30 day findings follow-up review.
- e. Report observations to Owner.

3. Customized services according to needs



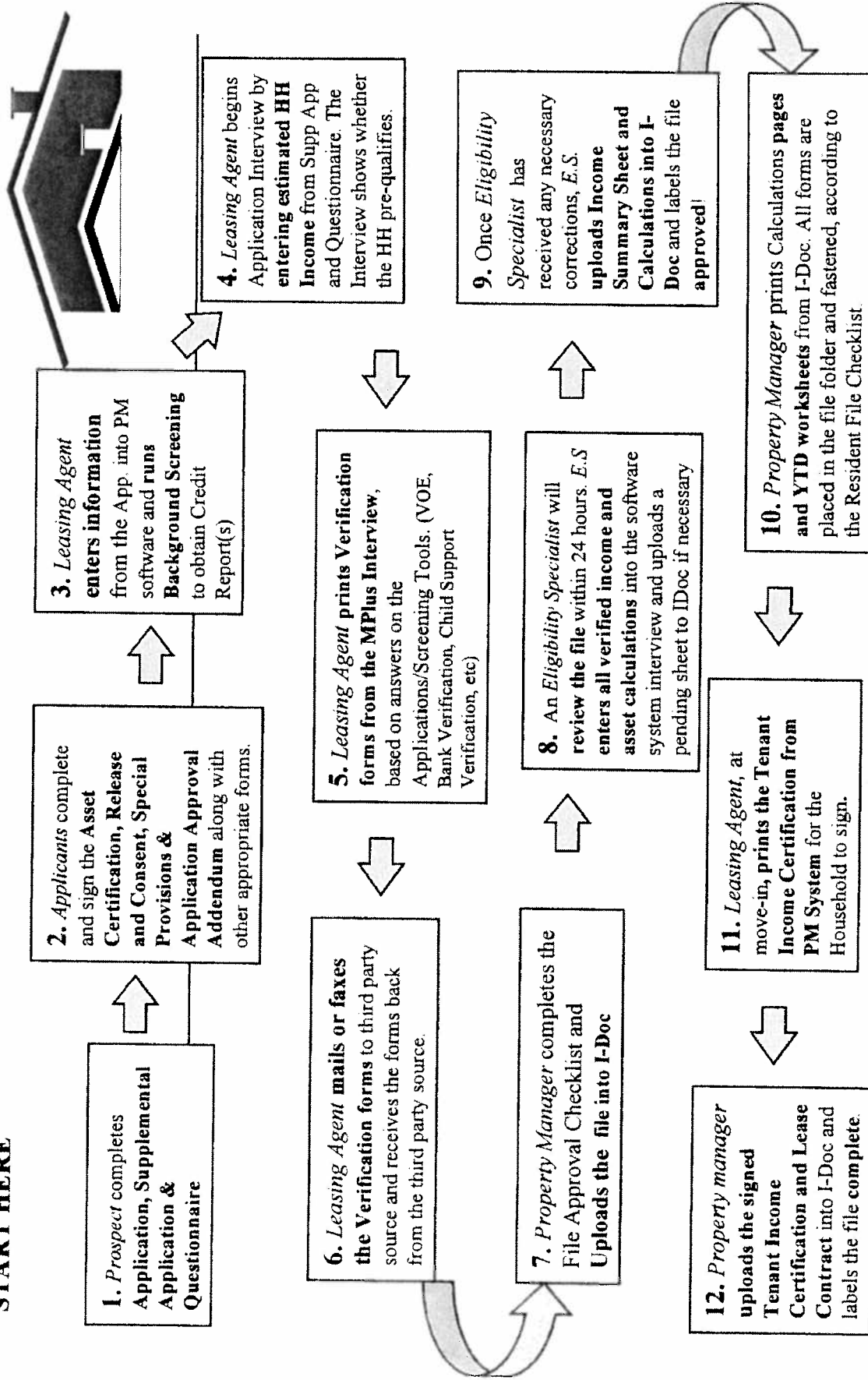
CAPSTONE REAL ESTATE SERVICES, INC.

Affordable Housing Paperwork Flowchart

11/15/2010

COMPLIANCE PAPERWORK FLOWCHART

START HERE



***Disclaimer: Additional paperwork process may be required. ***

11/15/2010

TESTIMONIALS

“Although the correct [utility] allowance was not used, since it only impacted the gross limit for 12 limits, the error did not impact any of the building’s minimum set asides. In the letter sent February 19, 2010, the finding “Project failed to meet the minimum set aside requirement” was identified. This finding is dropped...Thanks to [Capstone] for [their] diligent work with the Internal Revenue Service to clarify this issue.”

Patricia Murphy, TDHCA Chief of Compliance and Asset Oversight
Concerning the Monitoring Review of a tax credit property Capstone currently manages

“Office personnel are doing a remarkable job with tenant files, affirmative marketing and supportive services. The tenant files were well maintained, neatly organized, and contained clear and concise documentation.”

Stephanie Givens, TDHCA Compliance Manager
Concerning the Monitoring Review of a tax credit property Capstone currently manages

“Fantastic Job!”

Lina Mendez Romero
Housing Operations Director
Brownsville Housing Authority

ATTACHMENT F – OPERATING PROFORMA

**ATTACHMENT G – COMMUNITY ENGAGEMENT STRATEGY &
EFFORTS**

Community Engagement Strategy or Efforts

Cadence Multifamily, L.L.C. has always worked closely with the neighborhoods in which it proposes new developments. Cadence fully intends to engage several neighborhood organizations, including; OHAN 78749, Oak Hill Neighborhood Planning Contact Team, and Oak Hill Trails Association.

It is Cadence's intent to work with the neighborhood to develop Austin Senior Living to be compatible with the Neighborhood Plan for this particular area. One-on-one meetings with leaders of these organizations are currently being scheduled and will be held in the near future. In addition, Cadence will hold open meetings with members of the Neighborhood Associations.

In addition to extensive outreach, ongoing conversations and formal meetings, Cadence anticipates working on an ongoing basis with the Neighborhood Associations in which Austin Senior Living lies. While we may not agree on every issue, we believe that the current residents are one of our biggest allies in any project.

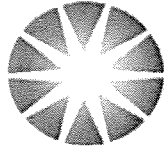
ATTACHMENT H – DESCRIPTION OF SUPPORTIVE SERVICES

DESCRIPTION OF SUPPORTIVE SERVICES

Austin Senior Living, through its supportive services partner(s), will provide a wide variety of skilled home health services and specialty programs, including:

- Skilled Nursing
- Physical Therapy
- Occupational Therapy
- Speech-Language Pathology
- Medical Social Work
- Home Health Aides
- Orthopedic
- Cardiopulmonary
- Balance and Fall Prevention
- Diabetes
- Community Care Program

These services will be optional for residents and will be provided at an additional cost to the residents. Furthermore, these services will be provided by a third party, Encompass Home Health. A Memorandum of Understanding and summary of experience is enclosed.



encompassTM
HOME HEALTH

Julie Hudson
Capstone Real Estate Services, Inc.
210 Barton Springs Road, Ste 300
Austin, Texas 78704

November 23, 2011

Julie,

It was great talking with you this morning! Encompass Home Health is very interested in providing services to your new community, Austin Senior Living in south Austin. We will be able to provide your community a wide variety of specialty programs to ensure that your residents maintain a healthy, functional, and independent lifestyle for as long as possible. Our skilled home health services include:

- Skilled nursing
- Physical Therapy
- Occupational Therapy
- Speech-Language Pathology
- Medical Social Work
- Home Health Aides

Our specialty programs include:

- Orthopedic
- Cardiopulmonary
- Balance and Fall Prevention
- Diabetes
- Community Care Program

Our Community Care Program is designed to address the special needs and demands of residents living in a community such as yours. We will be able to provide monthly blood pressure clinics, monthly education/health talks and a designated care team assigned to work in your community. Encompass care teams utilize hand-held technology allowing for speedy documentation and easy retrieval of vital health information. This also allows physicians up to the minute access to patient records and speedy follow up with any major or minor health concerns. Encompass is committed to helping your residents age in place by providing a *better way to care!*

Please keep me up to date on the progress of your community and I look forward to working with you in the near future!

Jenny Loehr M.A. CCC-SLP
Specialty Program Manager
Encompass Home Health
9101 Burnet Road, Ste 214
Austin, Texas 78758
(O) 512-339-1023
(M) 512-573-4146

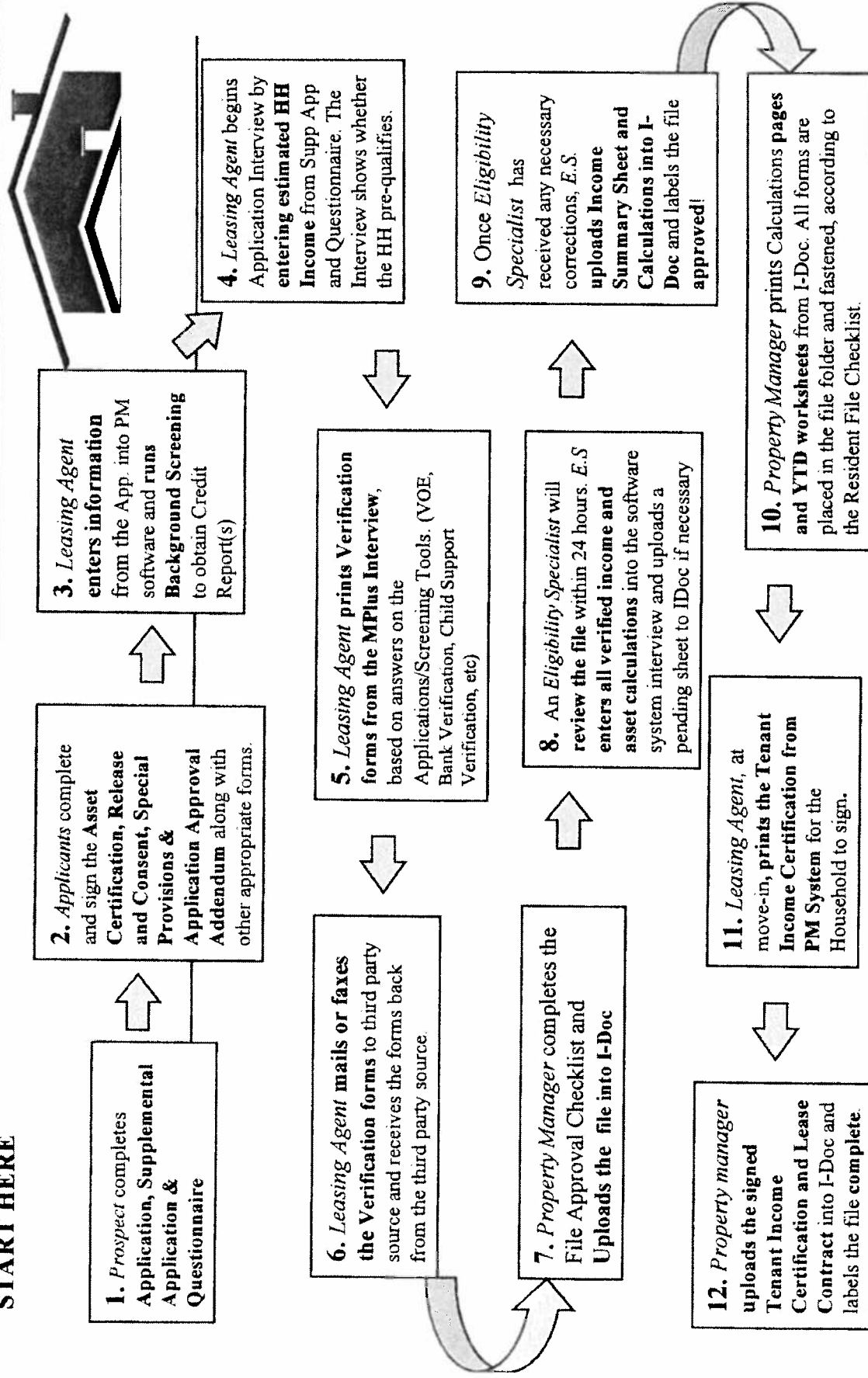
CAPSTONE REAL ESTATE SERVICES, INC.

Affordable Housing Paperwork Flowchart

11/15/2010

COMPLIANCE PAPERWORK FLOWCHART

START HERE



11/15/2010

***Disclaimer: Additional paperwork process may be required. ***

TESTIMONIALS

“Although the correct [utility] allowance was not used, since it only impacted the gross limit for 12 limits, the error did not impact any of the building’s minimum set asides. In the letter sent February 19, 2010, the finding “Project failed to meet the minimum set aside requirement” was identified. This finding is dropped...Thanks to [Capstone] for [their] diligent work with the Internal Revenue Service to clarify this issue.”

Patricia Murphy, TDHCA Chief of Compliance and Asset Oversight
Concerning the Monitoring Review of a tax credit property Capstone currently manages

“Office personnel are doing a remarkable job with tenant files, affirmative marketing and supportive services. The tenant files were well maintained, neatly organized, and contained clear and concise documentation.”

Stephanie Givens, TDHCA Compliance Manager
Concerning the Monitoring Review of a tax credit property Capstone currently manages

“Fantastic Job!”

Lina Mendez Romero
Housing Operations Director
Brownsville Housing Authority

ATTACHMENT F – OPERATING PROFORMA

**ATTACHMENT G – COMMUNITY ENGAGEMENT STRATEGY &
EFFORTS**

Community Engagement Strategy or Efforts

Cadence Multifamily, L.L.C. has always worked closely with the neighborhoods in which it proposes new developments. Cadence fully intends to engage several neighborhood organizations, including; OHAN 78749, Oak Hill Neighborhood Planning Contact Team, and Oak Hill Trails Association.

It is Cadence's intent to work with the neighborhood to develop Austin Senior Living to be compatible with the Neighborhood Plan for this particular area. One-on-one meetings with leaders of these organizations are currently being scheduled and will be held in the near future. In addition, Cadence will hold open meetings with members of the Neighborhood Associations.

In addition to extensive outreach, ongoing conversations and formal meetings, Cadence anticipates working on an ongoing basis with the Neighborhood Associations in which Austin Senior Living lies. While we may not agree on every issue, we believe that the current residents are one of our biggest allies in any project.

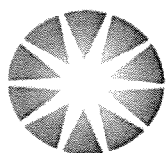
ATTACHMENT H – DESCRIPTION OF SUPPORTIVE SERVICES

DESCRIPTION OF SUPPORTIVE SERVICES

Austin Senior Living, through its supportive services partner(s), will provide a wide variety of skilled home health services and specialty programs, including:

- Skilled Nursing
- Physical Therapy
- Occupational Therapy
- Speech-Language Pathology
- Medical Social Work
- Home Health Aides
- Orthopedic
- Cardiopulmonary
- Balance and Fall Prevention
- Diabetes
- Community Care Program

These services will be optional for residents and will be provided at an additional cost to the residents. Furthermore, these services will be provided by a third party, Encompass Home Health. A Memorandum of Understanding and summary of experience is enclosed.



encompassTM
HOME HEALTH

Julie Hudson
Capstone Real Estate Services, Inc.
210 Barton Springs Road, Ste 300
Austin, Texas 78704

November 23, 2011

Julie,

It was great talking with you this morning! Encompass Home Health is very interested in providing services to your new community, Austin Senior Living in south Austin. We will be able to provide your community a wide variety of specialty programs to ensure that your residents maintain a healthy, functional, and independent lifestyle for as long as possible. Our skilled home health services include:

- Skilled nursing
- Physical Therapy
- Occupational Therapy
- Speech-Language Pathology
- Medical Social Work
- Home Health Aides

Our specialty programs include:

- Orthopedic
- Cardiopulmonary
- Balance and Fall Prevention
- Diabetes
- Community Care Program

Our Community Care Program is designed to address the special needs and demands of residents living in a community such as yours. We will be able to provide monthly blood pressure clinics, monthly education/health talks and a designated care team assigned to work in your community. Encompass care teams utilize hand-held technology allowing for speedy documentation and easy retrieval of vital health information. This also allows physicians up to the minute access to patient records and speedy follow up with any major or minor health concerns. Encompass is committed to helping your residents age in place by providing *a better way to care!*

Please keep me up to date on the progress of your community and I look forward to working with you in the near future!

Jenny Loehr M.A. CCC-SLP
Specialty Program Manager
Encompass Home Health
9101 Burnet Road, Ste 214
Austin, Texas 78758
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(M) 512-573-4146